



# **Budget Principles for 2016-17**

*(As adopted by the City Council on January 12, 2016)*



- The City's Code of Ethics and Values, especially being Fiscally Responsible, Communicative, and Service-Oriented, will be used as a guide for decisions.
- Budget decisions will be made with long-term implications taken into account, using data from the Five-Year Financial Plan.
- The perception of funding actions, as well as the fiscal impact, will be considered before budgetary decisions are made.
- Focus on projects and services that provide benefit to the community as a whole.
- Pursue economic development objectives and strategies to foster new public and private investment within Santa Clara, and to create employment opportunities.
- Ensure ongoing revenues are sufficient to cover the full cost of any staffing changes or service level enhancements,.
- It is important to find the right balance between compensation for existing employees and funding for new positions.
- As positions become vacant through attrition, it is prudent to review the services they supported to determine whether the resources would be better allocated to other areas based on today's environment.
- One-time unrestricted revenues (e.g., annual General Fund surplus) should only be used for one-time uses such as building reserves, funding capital projects, paying off debt, or paying off unfunded pension or other post-employment benefits liabilities.
- Funding challenges due to the impacts of last recession resulted in the delay of many capital improvement, major maintenance, and technology projects (e.g., street resurfacing, equipment replacement, replacing older and/or obsolete computer applications, etc.) creating a backlog of needed work. It is important to set aside a portion of one-time monies to reduce this backlog.
- In accordance with Council policy, continue to maintain the General Fund Working Capital Reserve balance at or above targeted levels for the long-term fiscal health of the City.
- Inform residents, businesses and employees of any fiscal challenges along with the City's responses.
- With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefiting from City services. This preserves limited unrestricted resources for providing services that benefit the community as a whole.